

Delaware Airports and Aviation

Economic Impact Assessment

Executive Summary

The First State



STATE OF DELAWARE
Department of Transportation
Carolann Wicks, Secretary

Executive Summary



Dover International Speedway



Air Mobility Command Museum



Air Cargo, Dover Air Force Base

The purpose of the economic impact assessment of Delaware airports was to develop a comprehensive estimate of the economic value of aviation in Delaware.

In 2006, the estimated economic impact of aviation on the state of Delaware:

- Totaled \$989 million
- Supported 15,500 jobs
- Provided \$594 million in income to its citizens
- And provided a tax benefit of \$265.6 million
 - \$226.4 million in Federal taxes
 - \$39.2 million in State and Local taxes



Summit Airport, New Castle County



Jenkins Airport, Kent County



Punkin Chunkin, Sussex County

Out-of-State Airline Travel

In 2006, air travelers spent \$9.2 billion in air fares at Baltimore/Washington International and Philadelphia International. Of this total, Delaware citizens and visitors spent an estimated \$475.6 million in air fares. Added to the air fares are the following Delaware spending and impact factors:

- | | |
|------------------------------------------------------------------|------------------------|
| • Spending by airline travelers driving to out-of-state airports | \$207.5 million |
| • Funding benefits to these commercial service airports | \$8.0 million |
| | \$215.5 million |

It was estimated that a portion of these impacts could be captured in the Delaware economy if significant airline service were available within the State.



PATS Aircraft, LLC., Sussex County Airport

Study Objectives

The objectives of the economic impact assessment were to quantify the following aspects of aviation in Delaware:

- **Direct Spending:** On-airport spending for employment, operations, and capital projects. Direct spending also includes off-airport spending by air travelers for rental cars, hotels, restaurants, and the like.
- **Induced Benefits:** Impacts created by the successive rounds of spending in the local economy until the original direct impact has been incrementally exported from the local area.
- **Jobs and Income:** Income generated by aviation and the number of jobs supported by aviation in Delaware.
- **Total Dollar Output:** The combined impact of direct, indirect, and induced spending.
- **Taxes:** Tax revenue contribution of the aviation industry to local and state units of government in Delaware.

New Castle Airport, New Castle County



Airport Profiles

Ten different airports serve Delaware, all varying in size and complexity. In all, there are four business class airports, five small general aviation facilities, one joint-use civilian/military facility and one helistop. Three of the state's small general aviation airports have turf runways only, and the other seven have paved surfaces.



Economic Impact Evaluation

Using IMPLAN software, the multiplied economic effects of aviation were estimated. Results and data were summed for each airport to obtain output and employment totals supported by aviation. The table below presents a summary of each airport's direct and induced economic impacts.



"Delaware Sunflowers" Photo by: Kevin Fleming

State and Local Tax Impacts

Two other key outputs that resulted from this study included State and Local Tax Impacts and Non-monetary Impacts.

One measure of the collective local benefits of the economic impacts of aviation involves the level of taxes paid to local governmental units. Estimated tax impacts from aviation in 2006 for Delaware totaled \$265.6 million. Of this total, \$226.4 million was generated in Federal taxes, while \$39.2 million in was generated in state and local taxes. This tax revenue benefits all Delaware citizens, not just those in aviation.

The First State

Airport Name	Direct Employment	Direct Impacts	Direct airport related income	Induced Employment	Induced Impacts	Estimated State/Local Taxes	Grand Total Employment	Grand Total Income ²	Grand Total Impacts
Chandelle Estates	2	\$128,500	\$63,000	0	\$51,900	\$6,700	2	\$83,800	\$180,400
Chorman	12	\$1,734,000	\$496,700	4	\$781,000	\$120,700	16	\$658,800	\$2,515,000
Dover AFB ¹	7,807	\$370,515,700	\$307,909,700	3,904	\$133,385,700	\$21,045,800	11,711	\$434,152,700	\$528,180,200
Delaware Airpark	30	\$2,656,200	\$893,200	15	\$954,400	\$137,400	45	\$1,261,700	\$3,610,600
Jenkins Airport	2	\$87,700	\$43,000	0	\$35,400	\$4,600	2	\$57,200	\$123,100
Laurel Airport	16	\$2,180,800	\$842,000	11	\$941,100	\$187,800	27	\$1,158,400	\$3,121,900
New Castle Airport	1,817	\$200,062,700	\$66,859,600	645	\$72,048,300	\$8,805,800	2,462	\$92,908,500	\$272,111,000
Smyrna Airport	1	\$60,300	\$26,000	0	\$23,500	\$3,100	1	\$35,300	\$83,800
Summit Airport	100	\$17,855,600	\$4,890,000	94	\$10,141,500	\$1,313,400	194	\$8,353,200	\$27,997,100
Sussex County Airport	461	\$104,127,900	\$39,456,700	560	\$46,920,800	\$7,554,800	1,021	\$55,439,300	\$151,048,700
Private-Use Airports	6	\$198,000	\$85,400	2	\$77,200	\$10,200	8	\$115,900	\$275,200
GRAND TOTALS	10,254	\$699,607,400	\$421,565,300	5,235	\$265,360,800	\$39,190,300	15,489	\$594,224,800	\$989,247,000

1 Joint-use facility with State-owned civil facilities.

2 Total income component shown here for descriptive purposes.



Delaware's Aviation Economy

Surveys were used to assess different segments of Delaware's aviation economy:



Airport Aircraft Tenants: Results indicated that spending on single engine and twin engine propeller-based aircraft averaged \$11,153 in 2006. Spending per business jet aircraft, on the other hand, totaled roughly \$1.4 million per year.



On-airport Businesses and Organizations: Surveys of businesses showed that over 4,000 full or part-time jobs and over \$300 million in expenditures are a direct result of on-airport businesses that require airports.



Military Aviation in Delaware

Two airports serve the bulk of military aviation in the state: Dover Air Force Base (AFB), and New Castle Airport. Due to its size and activity, Dover AFB has the largest economic impact of any military installation in the state. There are roughly 7,800 workers on the base, with an additional 10,000 retirees in the impact area. Total payroll is over \$307.9 million, with other local expenditures totaling more than \$62.6 million. Including multiplier effects, Dover AFB has a total economic impact of \$528.2 million annually, supporting the equivalent of 11,700 full-time workers.



There are two military units located at New Castle Airport: the Delaware Air National Guard, and the Army National Guard. Combined, these units employ 200 full time and 1,100 part time people. Estimated local expenditures for these military units is approximately \$23 million annually, with payrolls totaling the majority of those costs. These impacts are included in the New Castle Airport totals.

Non-monetary Impacts

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There are a number of non-monetary benefits of aviation that have not been mentioned in this analysis. Some of these benefits include:



Transportation Benefits: Defined as the time saved and cost avoided by travelers who use airports rather than the next best alternative.



NASCAR Race: Each year, NASCAR drivers and race teams fly into Delaware to participate in races at Dover Downs International Speedway. These events generate significant economic impacts. Without aviation facilities, competition for these races could be lost to other venues.



Stimulation of Business: Airports have been shown in other studies to be an important factor in the attraction and siting of new large businesses in a community.



Aeromedical Evacuation: Airports often serve as a base for aeromedical evacuation teams or flight services. This life-saving function has value that cannot be adequately quantified.



Recreation: Roughly 50% of commercial airline travel and 60% of general aviation travel is for recreational purposes. This includes the valuable tourist trade, which brings economic activity to Delaware.

The impacts that were estimated within the body of this report are only one facet of the overall picture. The value of airports and aviation use in Delaware is much more than these numbers can estimate. It is part of a scarce resource that needs support, protection, and appreciation from all the citizens it benefits both directly and indirectly.



For more information please contact:

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Facts & Figures

\$300 MILLION

The annual spending directly related to on airport businesses that require an airport in Delaware.



\$39.2 MILLION

The annual tax benefit provided by aviation to the citizens of Delaware.



"I can name over half a dozen major projects that are generating new jobs in Sussex County that wouldn't be possible without convenient air access."

Steve Masten
Former Economic Development Director Sussex County



"As a capital, for everyday travel we really need to have dependable access in and out for general aviation."

Ralph Reeb - Director of Planning DelDOT

\$989 MILLION

The total annual economic impact of aviation in Delaware.

"We're a high tech operation out in the middle of corn fields in the middle of Delaware."

Finn Neilsen - President/CEO Summit Aviation



12,970

The number of registered aircraft in Delaware.

"Economy wise, I don't even want to think about what would happen if there was no Dover Air Force Base in Delaware. It would be devastating."

Richard B. Bundy
Brigadier General USAF Retired

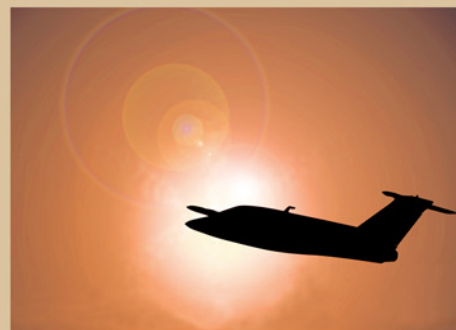
15,500

The total number of jobs aviation makes possible in Delaware.



"It would be hard to measure the Impact of a small airport like Laurel on a community, in terms of the agricultural crops we treat and protect, to mosquito control at the beach for tourism, and the entertainment of the skydiving industry."

Rob Collins
Manager of Laurel Airport



\$594 MILLION

The annual income aviation provides citizens of Delaware.

Research & design provided by:



R.A. Wiedemann &
Associates, Inc.
AVIATION CONSULTANTS



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